



Financial System Upgrade Informational Session

SAO Financials Upgrade Introductions

Introductions

SAO Financials Upgrade Agenda

- ❑ From a Transactional system to a Financial System
 - Chart of Accounts
 - Commitment Control - KK
 - Streamlined Banking
 - Allotment Process to Compliment Streamlined Banking
 - Break
 - Interunit Transactions
 - Open Item Accounting
- ❑ Preparations for Go-Live



From a Transactional System to a Financial System

SAO Financials Upgrade

From a Transactional System to a Financial System

From a Transactional System to a Financial System

- ❑ Originally the upgrade to 8.8 was a technical upgrade
 - Carry forward existing functionality
 - Minimal business process changes
 - Minor enhancements
 - Goal was to move to a supported version and updated system architecture

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From a Transactional System to a Financial System

Change Drivers

- ❑ Governor's directive of 'Best Managed State'
 - Findings from the Commission for a New Georgia
 - Enable PeopleSoft to be the system-of-record
 - Streamline the banking processes
 - Gain efficiencies in business processes
 - Creation of Program Budgeting

The role of the State Accounting Office is to facilitate this change

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From a Transactional System to a Financial System

Benefits of the Transition to a Financial Reporting System

- ☐ Statewide view
- ☐ Consistent reporting at the appropriation level
- ☐ PeopleSoft as the system of record
- ☐ Minimize the need for external systems

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From a Transactional System to a Financial System

Accomplished goals by working collaboratively with

- ❑ Agency representatives
 - Participating in fit gaps and other events

Agriculture	Forestry	Natural Resources
Administrative Services	Juvenile Justice	Pardons and Parole
Transportation	Human Resources	Georgia State Financing and Investment Commission
Audits	Community Affairs	Georgia Technology Authority
Corrections	Judicial Branch	Driver Services
Education	Superior Court	Technical and Adult Education
Revenue	General Assembly	Georgia Public Broadcasting
Community Health		

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Accomplished Goals by Working Collaboratively

- ☐ Office of Planning and Budget
- ☐ Office of Treasury and Fiscal Services
- ☐ State Purchasing

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New Scope Considered

- ☐ New General Ledger configuration
- ☐ Customer file consolidation
- ☐ Billing module (pilot with one agency)
- ☐ Allotment Budgeting in PeopleSoft
- ☐ Program Budgeting in PeopleSoft
- ☐ Interunit Accounting
- ☐ Consolidations for Statewide reporting
- ☐ 3-Way Matching

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Scope Deferred

- ☐ New General Ledger configuration
- ☐ Customer file consolidation
- ☐ Consolidations for Statewide reporting
- ☐ 3-Way Matching



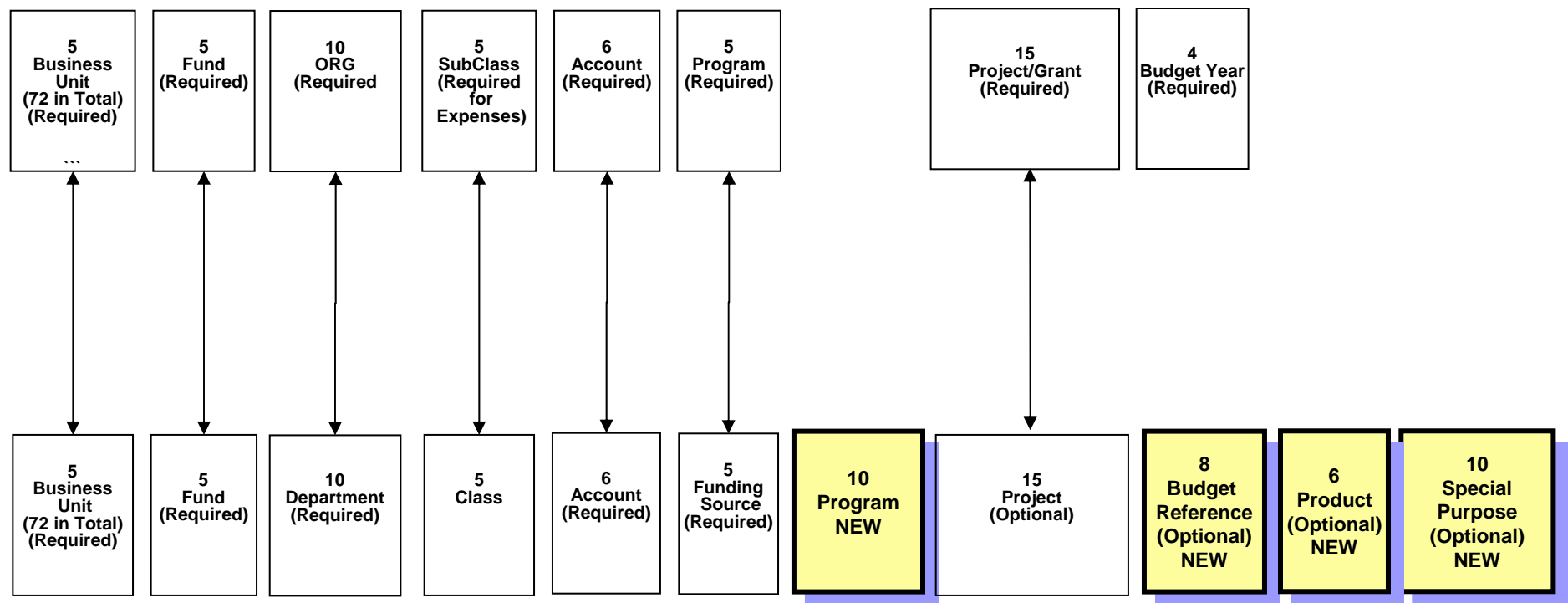
From a Transactional System to a Financial System

Chart of Accounts

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Chart of Accounts

7.02 ChartFields



8.8 ChartFields

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Chart of Accounts

Chartfield Changes

- ☐ Formally Program in 7.02 is relabeled to Funding Source
- ☐ ORG in 7.02 is renamed Department
- ☐ SubClass in 7.02 is renamed Class
- ☐ Budget Year is no longer a chartfield and is replaced by Budget Date but the same functionality is maintained (i.e. transacting against a prior budget year in the current fiscal year)
- ☐ Program Chartfield is introduced in 8.8 to reflect Program as used in the Appropriation Act
- ☐ Budget Reference is introduced in 8.8 and can be useful for multiyear grants*
- ☐ Product Chartfield is introduced in 8.8 for agency specific uses*
- ☐ Special Purpose chartfield is introduced in 8.8 for agency specific uses*

**post Go-Live*

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Chart of Accounts

Fund

Use	Benefits of Change
<ul style="list-style-type: none"> <input type="checkbox"/> Use Fund Chartfield to define separate business activities where separate assets, liabilities, fund balances, revenues, expenditures, and inter-unit transfers need to be tracked separately <input type="checkbox"/> Will remain a balancing Chartfield <input type="checkbox"/> Agencies continue to participate in multiple funds <input type="checkbox"/> Use tree structures to allow grouping of funds 	<ul style="list-style-type: none"> <input type="checkbox"/> Enables fund reporting across business unit <input type="checkbox"/> Allow GAAP reporting of funds and fund-types across business units <input type="checkbox"/> Removes appropriation indications from fund definitions
	Impact of Change on Agencies <ul style="list-style-type: none"> <input type="checkbox"/> Appropriation captured in the new Chartfield Program <input type="checkbox"/> Fund Chartfield expanded to include individual funds that describe specific activities. <input type="checkbox"/> Sub-funds established to enable divisions within fund, as well as information roll-ups <input type="checkbox"/> SAO maintains fund definitions centrally

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Chart of Accounts

Account

Use	Benefits of Change
<ul style="list-style-type: none"> <input type="checkbox"/> Use as designed and as currently implemented at the State with centralized control <input type="checkbox"/> Reduce uses that blur the purpose of Account, (e.g., project or fiscal year data capture) <input type="checkbox"/> Future goal is to eliminate Unique Object Classes <input type="checkbox"/> New accounts for capturing IT expenditures 	<ul style="list-style-type: none"> <input type="checkbox"/> Consistency of application facilitates enterprise-level reporting at the Account Chartfield level
	Impact of Change on Agencies <ul style="list-style-type: none"> <input type="checkbox"/> The Account Chartfield no longer used to capture date or outside fiscal year information <input type="checkbox"/> Accounts are now unique to common Object Classes

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Chart of Accounts

Class

Use	Benefits of Change
<ul style="list-style-type: none"> <input type="checkbox"/> Aggregates expenditure detail within a defined group of accounts <input type="checkbox"/> Enables budgetary control over a group of accounts 	<ul style="list-style-type: none"> <input type="checkbox"/> The use of the Class Chartfield is still required by OPB in addition to the Program Chartfield
	Impact of Change on Agencies <ul style="list-style-type: none"> <input type="checkbox"/> Budget using a separate Class ledger <input type="checkbox"/> Will still be used to identify common and unique object classes

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Chart of Accounts

Class Chartfield

- ❑ Changes for FY 2007
 - Travel to be part of ROE
 - Combine Per Diem and Fees and Contracts = Contractual Services
 - Computer Charges/IT Expenses (expand name and map new accounts to this class)
 - Telecommunications – Voice and Data Communications
 - New Common Object Class
 - Transfers
 - Grants and Benefits

Looking ahead to FY 2008 - eliminate unique object classes and restructure capital and IT expenses

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Chart of Accounts

Program – New Chartfield

- ☐ Chartfield 1 will be labeled “Program” to reflect Program as used in the Appropriation Act
- ☐ Agencies submit new program Chartfield value requests to OPB
- ☐ OPB defines Program definitions
- ☐ SAO enters Program Chartfield into PeopleSoft

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Chart of Accounts

Program

Use	Benefits of Change
<input type="checkbox"/> Use to perform Program Budgeting. Maps to Program identified in the Appropriations Act	<input type="checkbox"/> Compliance with program budgeting <input type="checkbox"/> Eliminates the need for agencies to account for program data in other Chartfields <input type="checkbox"/> Enterprise reporting now possible at the Program level with the use of this Chartfield <input type="checkbox"/> Allows similar methodology to subclass to monitor Program Budgets in PeopleSoft 7.02
	Impact of Change on Agencies
	<input type="checkbox"/> Enables agencies to capture and report on information that is Program specific <input type="checkbox"/> Funding source information will now be entered into Funding Source Chartfield instead <input type="checkbox"/> Program is not a balancing Chartfield

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Chart of Accounts

The new Program Chartfield value has 10 characters available. Seven characters will be used based upon the following structure:

- The first 5 numeric characters identify the Program
- The next 2 numeric characters identify the Sub-program

- ☐ Budget and expense entered at the Sub-program level.
- ☐ Budgetary control at the Program level.

*If the Program – Sub-program relationship changes
a new Program Chartfield value is required.*

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Chart of Accounts

- ❑ The Program - Sub-program relationship is defined within the Program Chartfield.

Ex: Program (1 st 5 numbers)	Sub-program (next 2 numbers)
00001	— — — — _01 - 99
00002	— — — — _01 - 99
00003	— — — — _01 - 99

- ❑ The Program Chartfield is the combination of Program – Sub-program:

[0000101 – 0000199]
 [0000201 – 0000299]
 [0000301 – 0000399]
 [0010001 – 0010099]

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Chart of Accounts

Program Tree

0000500

0000501 (Individual value)

0000502 (Individual value)

0000503 (Individual value)

[0000504 – 0000509] (Range of values)

0009500

0009501 (Individual value)

[0009502 – 0009510] (Range of values)

0009511 (Individual value)

0012500

[0012501 – 0012599] (Range of values)



From a Transactional System to a Financial System

Commitment Control - KK

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Commitment Control

Commitment Control is PeopleSoft's new term for the Budget Checking Module in version 8.8 and goes by the abbreviation 'KK'

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Commitment Control

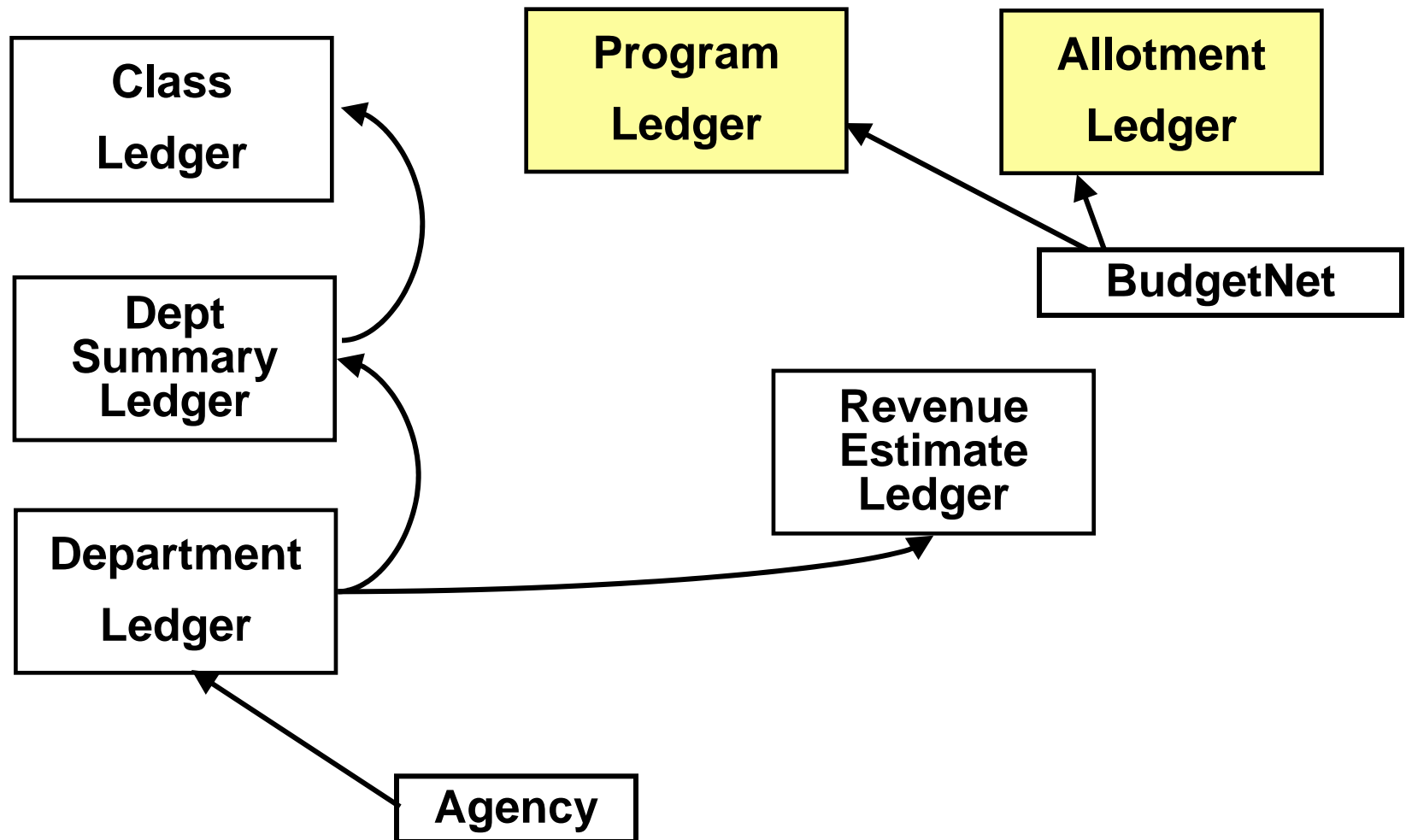
Commitment Control Structure

☐ Goals/Benefits

- Consistent approach to Program Budgeting
 - Program Budgeting within PeopleSoft aligned with the Appropriations Act
- Object Class budgeting still required, but no longer the single driver for budgeting
- Maintains the ORG and ORG summary for agency use

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Commitment Control



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Commitment Control

Budget Structure

Ledger	Owner	Maintenance
DEPARTMENT (ORG) Ledger DEPTSUM Ledger REVEST Ledger	Agency	Agency
ALLOTMENT Ledger	OPB	OPB
CLASS Ledger	OPB	Agency
PROGRAM Ledger	SAO/OPB	OPB



From a Transactional System to a Financial System

Streamlined Banking

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Streamlined Banking

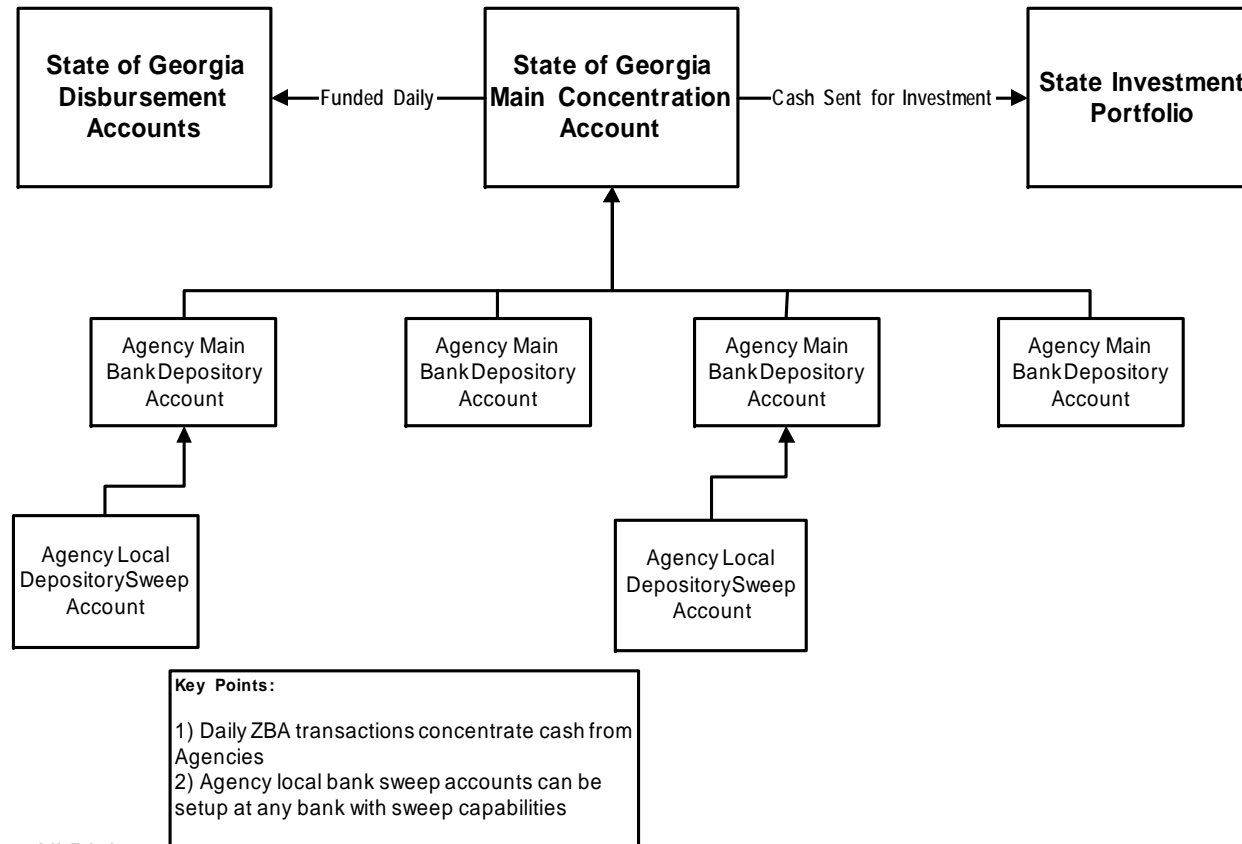
Benefits

- ☐ Reduce number of bank accounts
 - Currently 1,471 distribution accounts
 - 259 operating accounts
 - 111 payroll accounts
 - 201 trust accounts
 - Other accounts+
- ☐ Reduce checks written between agencies
- ☐ Increase investment earnings \$2.4 M to \$5.5 M
- ☐ Reduce bank fees \$600,000 to \$ 1 M
- ☐ Reduce workload and duplication of efforts
- ☐ Record state revenue single time
- ☐ Improve internal controls
- ☐ Improve statewide tax reporting

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Streamlined Banking

Process Flow



SAO Financials Upgrade Streamlined Banking

- ☐ Phased rollout after Go-Live
- ☐ Currently working with a pilot group of agencies to validate “to be” model

Pilot Agencies	Agencies Participating in Requirements Analysis
Administrative Services	Technical and Adult Education
State Accounting Office	Human Resources
Audits and Accounts	Natural Resources
Pardons and Parole	Revenue
Banking and Finance	Superior Court
	Driver Services
	Office of Planning and Budgeting



From a Transactional System to a Financial System

**Allotment Process to Compliment
Streamlined Banking**

SAO Financials Upgrade Allotment Process

Definition of Allotment

☐ Current Definition:

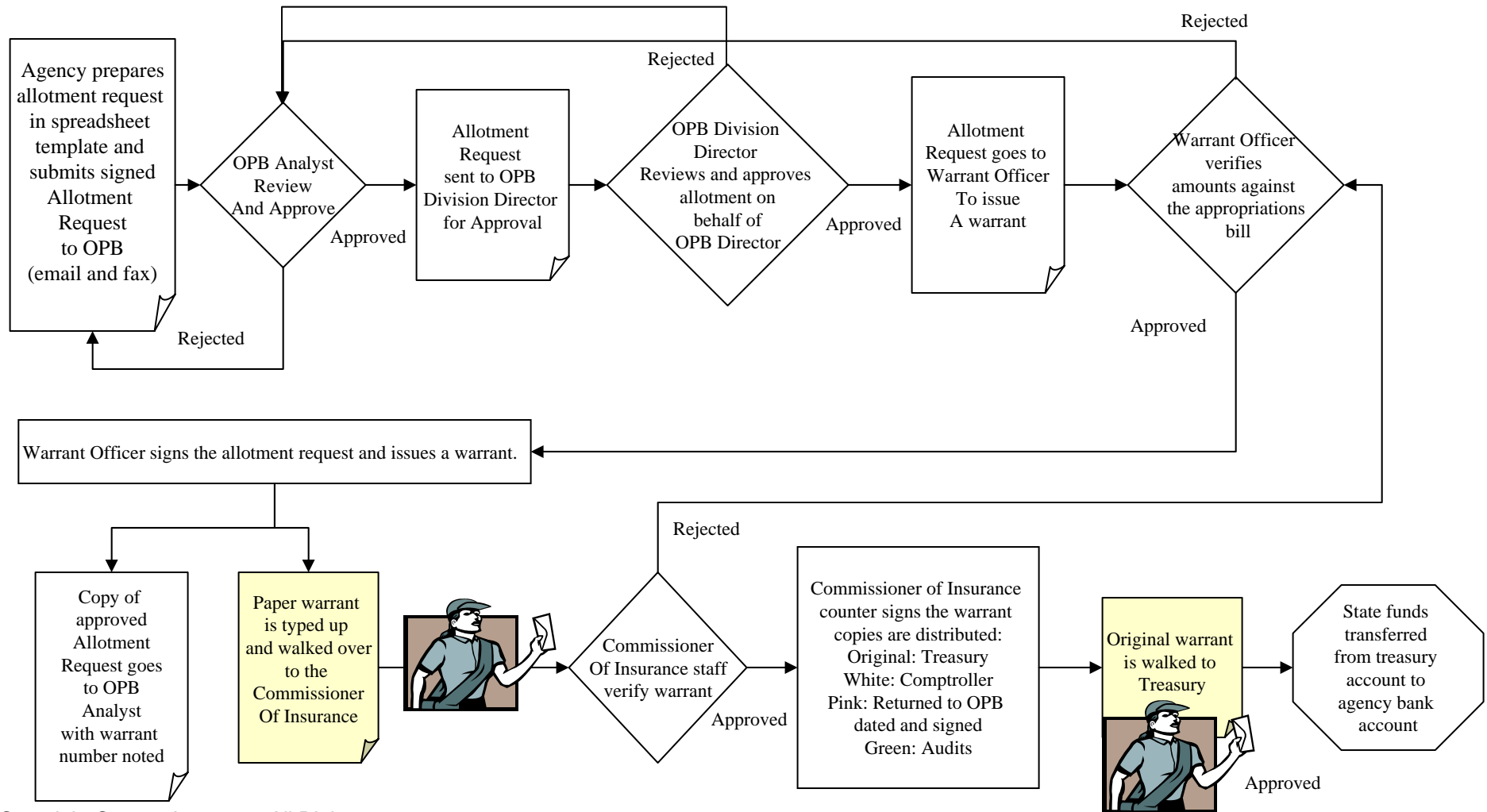
- Allotment is the disbursement of a portion of budgeted state funds in cash from the state treasury to an agency bank account.

☐ Streamlined Banking Definition:

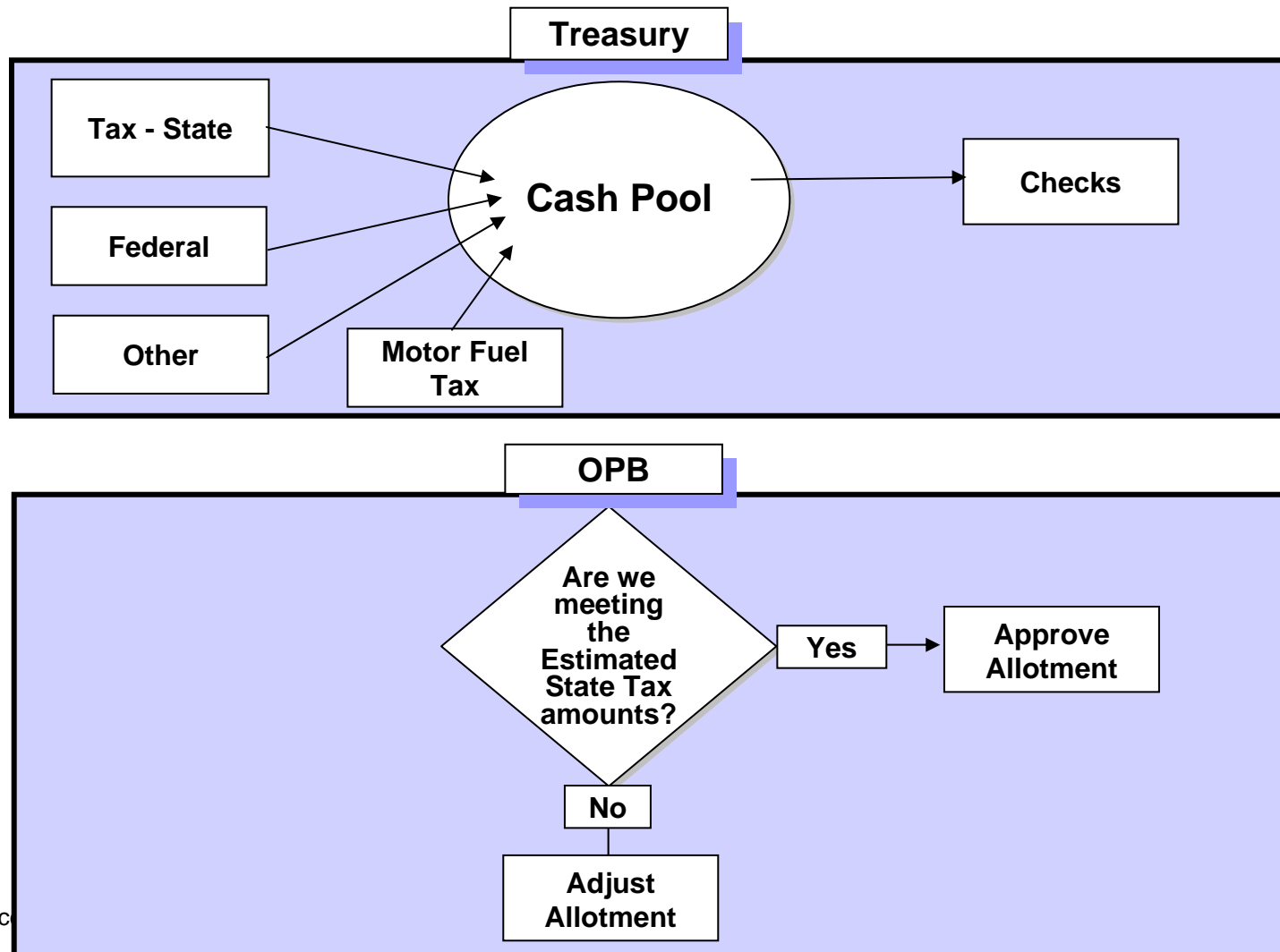
- Allotment is the allocation of a portion of budget spending authority

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Current Allotment Process

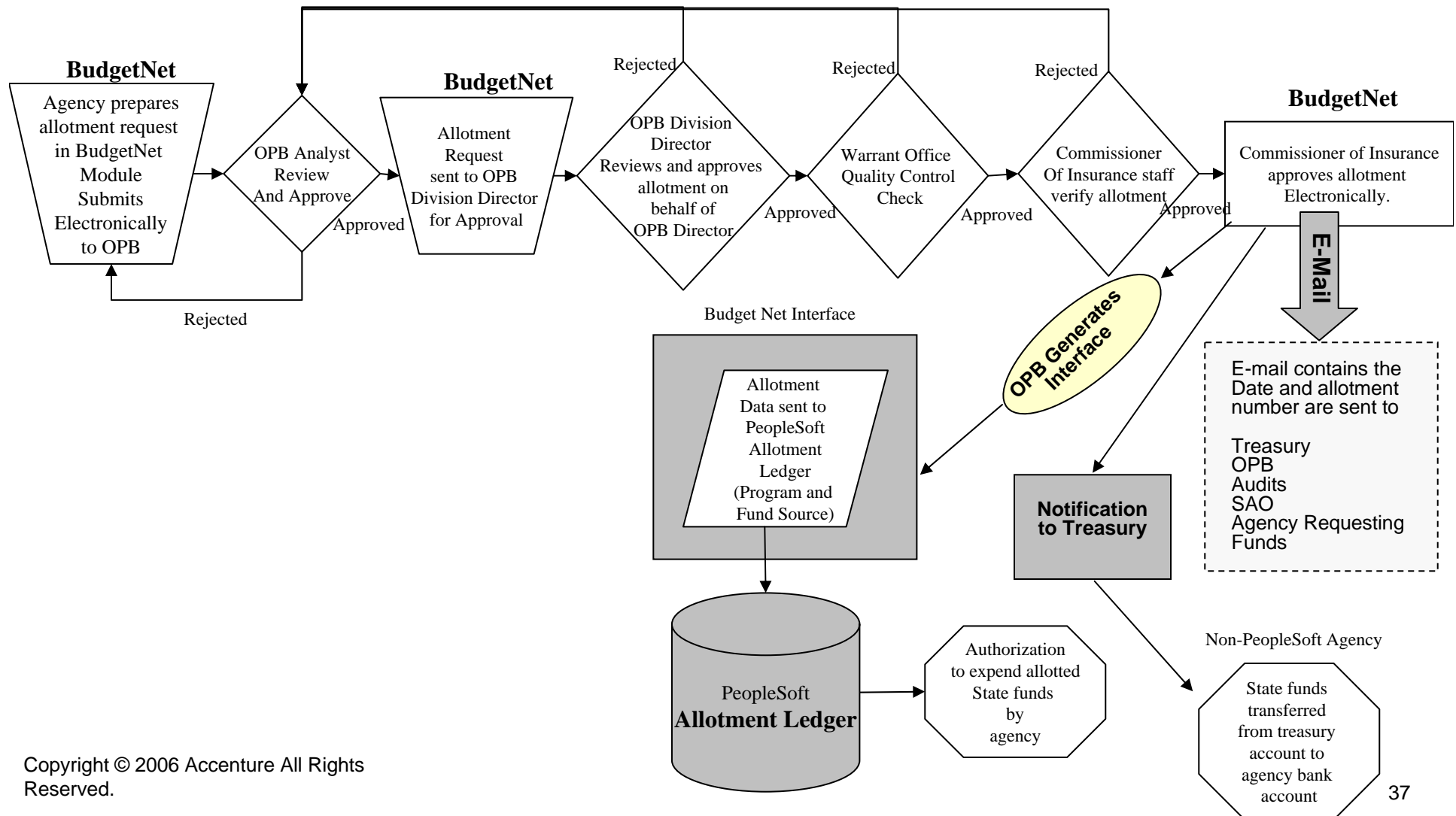


SAO Financials Upgrade Allotment Process



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Future Allotment Process



SAO Financials Upgrade Allotment Process

IMPACT:

Program Budgets will control expenditures in PeopleSoft.
BudgetNet will populate the program ledgers.

Allotment Budget will track expenditure in PeopleSoft until
an agency rolls onto Streamlined Banking.

Controlled at State funding source

Tracked at Federal and Other funding source

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Allotment Process

- ❑ Agencies not on Streamlined Banking
 - Non-PeopleSoft users
 - Paper warrant = Cash
 - Use BudgetNet Allotment Module for OPB processes to submit, review, and approve allotments. Paper process outside of OPB.
 - State funds are set to “track” in the Allotment Ledger in Peoplesoft 8.8

- ❑ Agencies on PeopleSoft and on Streamlined Banking
 - Electronic Warrant = authorization to encumber
 - BudgetNet Module fully used and no paper process.
 - State funds set to “control” in the Allotment Ledger in Peoplesoft 8.8

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Allotment Process

PeopleSoft 8.8 Allotment Ledger

☐ Agencies not on Streamlined Banking

☐ Agencies on PeopleSoft and on Streamlined Banking

Cash Allotment Agencies	
Track	<input type="checkbox"/> State Funds <ul style="list-style-type: none"> –State General Funds –Tobacco Funds –Lottery Funds –Motor Fuel Funds –Other State Funds
Track	<input type="checkbox"/> Federal Funds
Track	<input type="checkbox"/> Other Funds

Streamlined Banking Agencies	
Track (Day 1) Control (As Agencies rollout Streamlined Banking)	<input type="checkbox"/> State Funds <ul style="list-style-type: none"> –State General Funds –Tobacco Funds –Lottery Funds –Motor Fuel Funds –Other State Funds
Track	<input type="checkbox"/> Federal Funds
Track	<input type="checkbox"/> Other Funds

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Allotment Process

Allotment Ledger Specifics

- ☐ Initial Allotment request loaded via BudgetNet
- ☐ Adjustments through BudgetNet
- ☐ Program and Funding Source control spending
- ☐ Budget Journal file created automatically from BudgetNet
- ☐ State Funding Source set to Track (Day1)
- ☐ Federal/Other Funding Source set to Track
- ☐ Budget Journal posted automatically

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00:00

Break

Please return in 15 minutes



From a Transactional System to a Financial System

Interunit Transactions

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Interunit Transactions

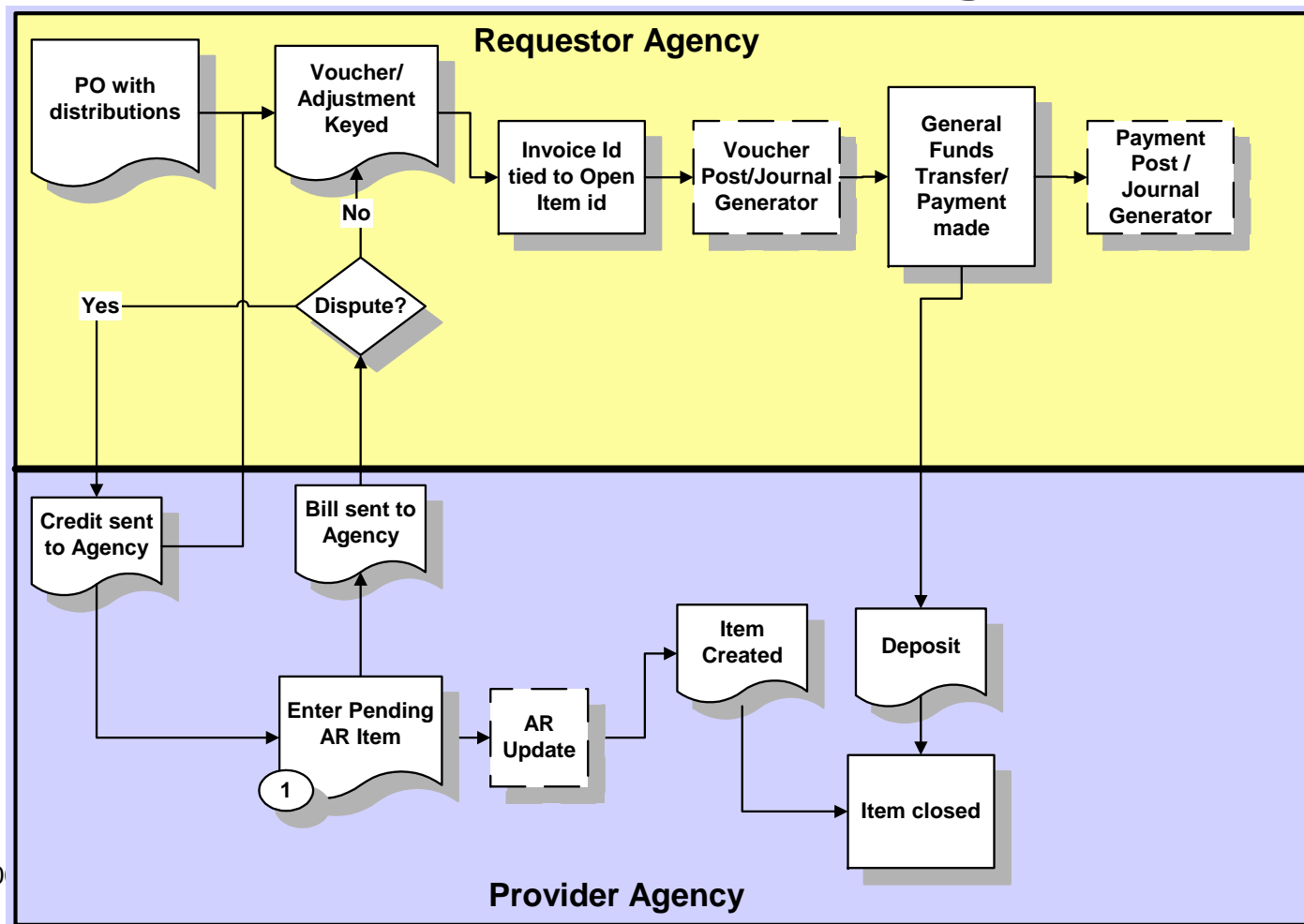
Interunit Accounting

- Goals/Benefits
 - Secure interunit transactions
 - Identify intrafund/interfund transactions for eliminations
 - Minimal impact to the Provider/Billing Agency
 - Minimal impact to the Receiving Agency
 - Consistent timing and amount between agencies

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Interunit Transactions

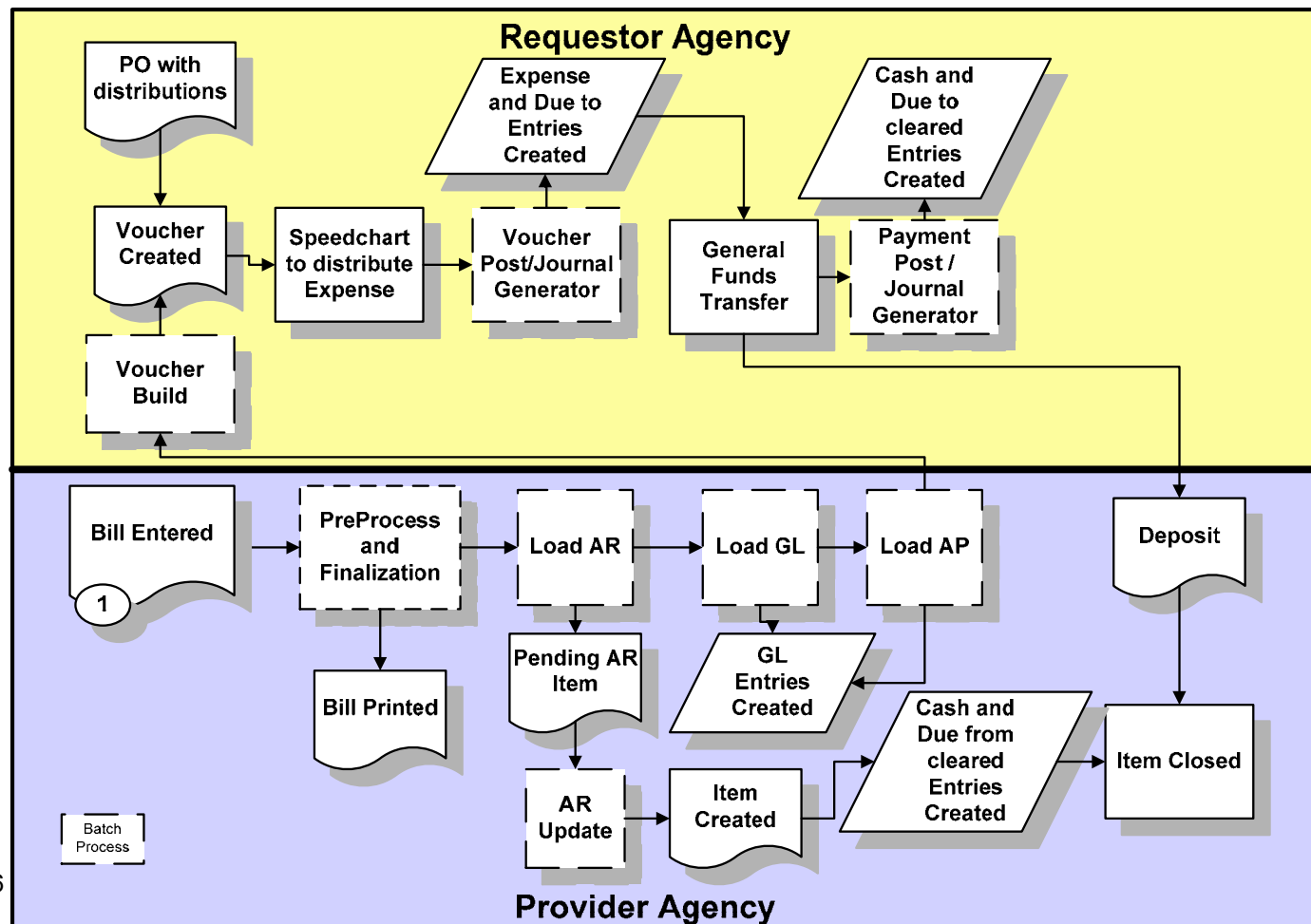
Interunit without the Billing Process



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Interunit Transactions

Interunit with the Billing Process



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Interunit Transactions

Interunit Receivables

- ☐ Receivables from state agencies on PeopleSoft Financials must be recorded in PeopleSoft AR
- ☐ State agency customers should be marked “Interunit” and assigned a GL business unit and primary fund

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Interunit Transactions

Interunit Payables

- ☐ Vouchers to other state agencies must be tied to an open receivable
- ☐ Interunit vouchers must have the same amount, date and invoice ID as an open receivable in PeopleSoft AR
- ☐ No partial vouchers can be entered against an open receivable
- ☐ Settlement should be paid via a general funds transfer
- ☐ PeopleSoft billing module will create vouchers in other business units
 - DOAS implementing Billing at Go-Live



From a Transactional System to a Financial System

Open Item Accounting

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Open Item Accounting

Replaces Current Travel & Expense Process

□ Benefits

- Employee identified by employee ID versus SS#
- Vendor and customer information on transactions
- Consistency in reporting across modular transactions
- Open Item Accounts require less field population
- Link across modules to a specified Employee ID or Vendor number
- Recap view in General Ledger



Preparations for Go-Live

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Go-Live Timeline: 8.8 system up with June (period 12) and July (period 1) open for sub-modules and GL

June 26 - 30	July 3 - 7	July 10 - 14	July 17 - 21	July 24 - 28	July 31- August 4	August 7 - 11
June open	FINANCIAL SYSTEM DOWN	June open July open	June open July open	998 open July open	998 open July open	August Open
<input type="checkbox"/> 6/26 – last day to add vendors, process GL, AP and AR interfaces in 7.02 <input type="checkbox"/> 6/29 – last day to enter data in 7.02 <input type="checkbox"/> 6/29 – final batch processing in 7.02 <input type="checkbox"/> 6/30 – 7.02 Financial System down	<input type="checkbox"/> Back-log transactions	<input type="checkbox"/> 7/10 - 8.8 Financial System up 8am <input type="checkbox"/> Enter back-logged transactions	<input type="checkbox"/> 7/21 - June close		<input type="checkbox"/> 8/4 - FY2006 close <input type="checkbox"/> 8/4 – July Close	<input type="checkbox"/> 8/7 – Open August
<input type="checkbox"/> PeopleSoft 8.8 HCM system available throughout Upgrade	<input type="checkbox"/> 7/3 – DOT payroll <input type="checkbox"/> 7/5 – BU 420, 444 payrolls <input type="checkbox"/> 7/6 – BU 474, 411 payrolls <input type="checkbox"/> 7/7 – DTAE, payrolls	<input type="checkbox"/> 7/10 - First HCM feed				

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Preparations for Go Live

- ❑ The new budget structure eliminates the need to account for Program in the Organization code
 - Agencies are encouraged to keep their existing ORG structure and values for FY07 and not re-structure until FY08
 - Agencies must communicate their approach for FY07 ORG structures (revamp or keep existing) to SAO by 4/3/06
- ❑ Agencies must prepare their FY07 ORG trees and budgets using the spreadsheet templates provided by SAO in both
 - 7.02 format, without Program chartfield
 - 8.8 format, with Program chartfield
- ❑ Agencies will enter their Program budgets directly into BudgetNet

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FY07 Budget Timeline – ORG Budgets

Activity	Responsible	Date
Submit and finalize FY07 ORG Trees in 7.02 and 8.8 structure to SAO	Agency	4/3 – 4/21
Submit and finalize FY07 ORG Budgets in 7.02 and 8.8 structure to SAO	Agency	4/17 – 5/26
ORG Trees and Budgets loaded into 7.02 VOLTST and 8.8 configuration environments	SAO	4/30 – 5/31
Agencies have access to 7.02 and 8.8 environments to verify ORG Budgets and Trees	Agency	6/1 – 6/15
8.8 Trees and Budgets migrated to 8.8 production environment	SAO	During Upgrade
7.02 Trees and Budgets migrated to 7.02 production environment	SAO	During Upgrade

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FY07 Budget Timeline – Program and Allotment Budgets

Activity	Responsible	Date
Enter Program budgets in BudgetNet	Agency	5/1 – 5/31
Submit FY07 Q1 Allotment requests via spreadsheet template to OPB	Agency	5/1 – 5/31
Approve Program Budgets and Allotment Requests	OPB	5/1 – 6/10
Authorize FY07 Q1 Allotment Requests	Comptroller	6/1 – 6/15
Generate Program files and submit to SAO	OPB	5/15 - 6/15
Submit Allotment spreadsheet templates to SAO	OPB	6/16
Load BudgetNet files and Allotment spreadsheet templates into 8.8 configuration environment	SAO	5/15 – 6/19
Generate report for OPB to verify Allotment Requests	SAO	6/20
Financial Reporting Group verifies Program Budgets	SAO	6/20 – 6/23
Verify FY07 Program Budgets and Q1 Allotment Requests	OPB	6/20 – 6/23
Program Budgets and Allotment Requests migrated to 8.8 production environment	SAO	During Upgrade

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Preparations for Go Live

Agency Change Management Meetings

Topic	Date	Objective
Chart of Account and HCM Account Code Changes	3/2/06	SAO and OPB will be talking to the new Chartfield structure and values to be used in FY07 and the affects to the HCM Account Codes.
Program Budgeting and Allotments	3/23/06	OPB and SAO will be talking to the new Program Budget and Allotment process.
Interunit and Open Item Accounting for Travel and Per Diem	4/27/06	SAO will talk to the new functionality in PeopleSoft 8.8 for Interunit Accounting and Open Item Accounting for Travel and Per Diem.

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Preparations for Go Live

Training in Development

- ☐ Training Labs
 - Commitment Control
 - Billing
 - Project Costing
 - State Purchasing - Contracts
- ☐ UPK Development
 - Online Training
- ☐ Train the Trainer Program
- ☐ End User Training
- ☐ Knowledge Transfer Sessions

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Preparations for Go Live

Agency Change Champion Deployment Meetings

Date	Topics	Date	Topics
March 16 th , 2006	<input type="checkbox"/> Deployment Overview <input type="checkbox"/> Roles & Responsibilities <input type="checkbox"/> Agency Upgrade Activities List <input type="checkbox"/> Agency Readiness Assessment <input type="checkbox"/> Interface Update <input type="checkbox"/> Training Overview <input type="checkbox"/> Help Line	May 10 th , 2006	<input type="checkbox"/> Project Status Update <input type="checkbox"/> Agency Upgrade Activities List Review <input type="checkbox"/> Agency Readiness Assessment Checkpoint <input type="checkbox"/> Conducting Business During the Downtime In Detail <input type="checkbox"/> Startup Activities
April 12 th , 2006	<input type="checkbox"/> Agency Upgrade Activities List Review <input type="checkbox"/> Cleaning up Transactions in 7.02 <input type="checkbox"/> Freeze Dates <input type="checkbox"/> FY06 Close Dates <input type="checkbox"/> Conducting Business During the Downtime Overview <input type="checkbox"/> Preparing subsystems for go-live <input type="checkbox"/> Go-Live Contingency Plan	June 8 th , 2006	<input type="checkbox"/> Project Status Update <input type="checkbox"/> Agency Upgrade Activities List Review <input type="checkbox"/> Agency Readiness Assessment Checkpoint <input type="checkbox"/> End User Training Checkpoint <input type="checkbox"/> Go-Live Help Desk <input type="checkbox"/> Stabilization Check-in Sessions

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After Go Live

Stabilization Check-In Sessions

Dates	Attendees	Agenda	Logistics
Week 1: 7/12, 7/13, 7/14	Agency Change Champions and other interested parties	System Availability Batch Results Migrations Urgent SIR Review FAQ's Feedback	11am – 12pm
Week 2: 7/17, 7/18, 7/19, 7/20, 7/21			Meeting in SAO Training Room
Week 3: 7/24, 7/26, 7/28			Bridge Line set up for Agency Call-Ins
Week 4: 7/31, 8/2, 8/4			
Week 5: 8/7, 8/9			
Week 6: 8/14, 8/16			
Week 7: 8/23			
Week 8: 8/30			

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Follow up items

- ☐ Evaluations
- ☐ Financial Systems Website